

## **MOTION TO RECOMMIT WITH INSTRUCTIONS**

Mr. Conaway moves to recommit the bill H.R. 5658 to the Committee on Armed Services with instructions to report the same back to the House promptly, with the following amendments:

At the end of title X, add the following new sections:

1 **SEC. 1071. SENSE OF CONGRESS AND REPEAL OF ALTER-**  
2 **NATIVE FUEL PROCUREMENT REQUIREMENT**  
3 **FOR FEDERAL AGENCIES.**

4 (a) SENSE OF CONGRESS.—It is the sense of Con-  
5 gress that prohibiting Federal agencies from entering into  
6 contracts for procurement of alternative or synthetic fuel  
7 will make Federal agencies like the Department of De-  
8 fense more dependent on oil from less secure, foreign  
9 sources of oil, such as the Middle East, and will lead to  
10 higher gasoline prices for Americans.

11 (b) REPEAL OF ALTERNATIVE FUEL PROCUREMENT  
12 REQUIREMENT FOR FEDERAL AGENCIES.—Section 526 of  
13 the Energy Independence and Security Act of 2007 (Pub-  
14 lic Law 110–140; 42 U.S.C. 17142) is hereby repealed.

1 **SEC. 1072. EXPEDITED CONSTRUCTION OF NEW REFINING**  
2 **CAPACITY ON CLOSED MILITARY INSTALLA-**  
3 **TIONS.**

4 (a) DEFINITIONS.—In this section:

5 (1) The term “base closure law” means the De-  
6 fense Base Closure and Realignment Act of 1990  
7 (part A of title XXIX of Public Law 101–510; 10  
8 U.S.C. 2687 note) and title II of the Defense Au-  
9 thorization Amendments and Base Closure and Re-  
10 alignment Act (Public Law 100–526; 10 U.S.C.  
11 2687 note).

12 (2) The term “closed military installation”  
13 means a military installation closed or approved for  
14 closure pursuant to a base closure law.

15 (3) The term “designated refinery” means a re-  
16 finery designated under subsection (b).

17 (4) The term “Federal refinery authoriza-  
18 tion”—

19 (A) means any authorization required  
20 under Federal law, whether administered by a  
21 Federal or State administrative agency or offi-  
22 cial, with respect to siting, construction, expan-  
23 sion, or operation of a refinery; and

24 (B) includes any permits, special use au-  
25 thorizations, certifications, opinions, or other  
26 approvals required under Federal law with re-

1 spect to siting, construction, expansion, or oper-  
2 ation of a refinery.

3 (5) The term “refinery” means—

4 (A) a facility designed and operated to re-  
5 ceive, load, unload, store, transport, process,  
6 and refine crude oil by any chemical or physical  
7 process, including distillation, fluid catalytic  
8 cracking, hydrocracking, coking, alkylation,  
9 etherification, polymerization, catalytic reform-  
10 ing, isomerization, hydrotreating, blending, and  
11 any combination thereof, in order to produce  
12 gasoline or other fuel; or

13 (B) a facility designed and operated to re-  
14 ceive, load, unload, store, transport, process,  
15 and refine coal by any chemical or physical  
16 process, including liquefaction, in order to  
17 produce gasoline, diesel, or other liquid fuel as  
18 its primary output.

19 (6) The term “Secretary” means the Secretary  
20 of Energy.

21 (7) The term “State” means a State, the Dis-  
22 trict of Columbia, the Commonwealth of Puerto  
23 Rico, and any other territory or possession of the  
24 United States.

1 (b) DESIGNATION REQUIREMENT.—Not later than  
2 90 days after the date of enactment of this Act, the Presi-  
3 dent shall designate no less than 3 closed military installa-  
4 tions, or portions thereof, subject to subsection (d)(2),  
5 that are appropriate for the purposes of siting a refinery.

6 (c) ANALYSIS OF REFINERY SITES.—In considering  
7 any site for possible designation under subsection (b), the  
8 President shall conduct an analysis of—

9 (1) the availability of crude oil supplies to the  
10 site, including supplies from domestic production of  
11 shale oil and tar sands and other strategic uncon-  
12 ventional fuels;

13 (2) the distribution of the Nation’s refined pe-  
14 troleum product demand;

15 (3) whether such site is in close proximity to  
16 substantial pipeline infrastructure, including both  
17 crude oil and refined petroleum product pipelines,  
18 and potential infrastructure feasibility;

19 (4) the need to diversify the geographical loca-  
20 tion of the domestic refining capacity;

21 (5) the effect that increased refined petroleum  
22 products from a refinery on that site may have on  
23 the price and supply of gasoline to consumers;

1           (6) the impact of locating a refinery on the site  
2       on the readiness and operations of the Armed  
3       Forces; and

4           (7) such other factors as the President con-  
5       siders appropriate.

6       (d) SALE OR DISPOSAL.—

7           (1) DESIGNATION.—Except as provided in  
8       paragraph (2), until the expiration of 2 years after  
9       the date of enactment of this Act, the Federal Gov-  
10      ernment shall not sell or otherwise dispose of the  
11      military installations designated pursuant to sub-  
12      section (b).

13          (2) GOVERNOR'S OBJECTION.—No site may be  
14      used for a refinery under this section if, not later  
15      than 60 days after designation of the site under sub-  
16      section (b), the Governor of the State in which the  
17      site is located transmits to the President an objec-  
18      tion to the designation, unless, not later than 60  
19      days after the President receives such objection, the  
20      Congress has by law overridden the objection.

21       (e) REDEVELOPMENT AUTHORITY.—With respect to  
22      a closed military installation, or portion thereof, des-  
23      ignated by the President as a potentially suitable refinery  
24      site pursuant to subsection (b)—

1           (1) the redevelopment authority for the installa-  
2           tion, in preparing or revising the redevelopment plan  
3           for the installation, shall consider the feasibility and  
4           practicability of siting a refinery on the installation;  
5           and

6           (2) the Secretary of Defense, in managing and  
7           disposing of real property at the installation pursu-  
8           ant to the base closure law applicable to the installa-  
9           tion, shall give substantial deference to the rec-  
10          ommendations of the redevelopment authority, as  
11          contained in the redevelopment plan for the installa-  
12          tion, regarding the siting of a refinery on the instal-  
13          lation.

14       (f) DESIGNATION AS LEAD AGENCY.—

15           (1) IN GENERAL.—The Department of Energy  
16           shall act as the lead agency for the purposes of co-  
17           ordinating all applicable Federal refinery authoriza-  
18           tions and related environmental reviews with respect  
19           to a designated refinery.

20           (2) OTHER AGENCIES.—Each Federal and  
21           State agency or official required to provide a Fed-  
22           eral refinery authorization shall cooperate with the  
23           Secretary and comply with the deadlines established  
24           by the Secretary.

1 (g) SECRETARY'S AUTHORITY TO SET SCHEDULE.—

2 The Secretary shall establish a schedule for all Federal  
3 refinery authorizations with respect to a designated refin-  
4 ery. In establishing the schedule, the Secretary shall—

5 (1) ensure expeditious completion of all such  
6 proceedings; and

7 (2) accommodate the applicable schedules es-  
8 tablished by Federal law for such proceedings.

9 (h) CONSOLIDATED RECORD.—The Secretary shall,  
10 with the cooperation of Federal and State administrative  
11 agencies and officials, maintain a complete consolidated  
12 record of all decisions made or actions taken by the Sec-  
13 retary or by a Federal administrative agency or officer (or  
14 State administrative agency or officer acting under dele-  
15 gated Federal authority) with respect to any Federal re-  
16 finery authorization.

At the end of division A, add the following new title:

17 **TITLE XVII—ENHANCEMENT OF**  
18 **RECRUITMENT, RETENTION,**  
19 **AND READJUSTMENT**  
20 **THROUGH EDUCATION**

Sec. 1701. Short title.

Sec. 1702. Findings.

Sec. 1703. Plan on coordination of current educational assistance programs and  
development of additional educational assistance programs to  
enable career-oriented members of the Armed Forces to attain  
a bachelor's degree.

- Sec. 1704. Increase in rates of basic educational assistance under the Montgomery GI Bill.
- Sec. 1705. Annual stipend for recipients of basic educational assistance under the Montgomery GI Bill.
- Sec. 1706. Increase in rates of educational assistance for members of the Selected Reserve.
- Sec. 1707. Increase in rates of educational assistance for reserve component members supporting contingency operations and other operations with extended service in the Selected Reserve.
- Sec. 1708. Enhancement of transferability of entitlement to educational assistance.
- Sec. 1709. Use of educational assistance to repay Federal student loans.
- Sec. 1710. Educational assistance for graduates of the service academies and Reserve Officers' Training Corps programs.
- Sec. 1711. Opportunity for current and certain retired VEAP-era personnel to enroll in basic educational assistance under the Montgomery GI Bill.
- Sec. 1712. College Patriots Grant Program.

**1 SEC. 1701. SHORT TITLE.**

2 This title may be cited as the “Enhancement of Re-  
3 cruitment, Retention, and Readjustment Through Edu-  
4 cation Act of 2008”.

**5 SEC. 1702. FINDINGS.**

6 Congress makes the following findings:

7 (1) The World War II-era GI Bill assisted al-  
8 most 8,000,000 members of the Armed Forces in re-  
9 adjusting to civilian life after completing their serv-  
10 ice to the nation. With the support and assistance  
11 of America's colleges and universities, the GI Bill  
12 provided incentives that transformed American soci-  
13 ety, making a college degree a realizable goal for  
14 millions of Americans.

15 (2) In the years following World War II, the GI  
16 Bill continued to provide educational benefits for



1 members of the Armed Forces who had been drafted  
2 into or volunteered for service.

3 (3) The establishment of the All Volunteer  
4 Force in 1973, and its development since its incep-  
5 tion, has produced highly professional Armed Forces  
6 that are recognized as the most effective fighting  
7 force the world has ever seen.

8 (4) The Sonny Montgomery GI Bill was enacted  
9 in 1984 to sustain the All Volunteer Force by pro-  
10 viding educational benefits to aid in the recruitment  
11 and retention of highly qualified personnel for the  
12 Armed Forces and to assist veterans in readjusting  
13 to civilian life. Today, it remains a cornerstone of  
14 military recruiting and retention planning for the  
15 Armed Forces and continues to fulfill its original  
16 purposes.

17 (5) The All Volunteer Force depends for its ef-  
18 fectiveness and vitality on successful recruiting of  
19 highly capable men and women, and retention for  
20 careers of soldiers, sailors, airmen, and marines, in  
21 both the active and reserve components of the  
22 Armed Forces, who, with the support of their fami-  
23 lies and loved ones, develop into professional, dedi-  
24 cated, and experienced officers, noncommissioned of-  
25 ficers, and petty officers.

1           (6) The achievement of educational goals, in-  
2           cluding obtaining the means to a college degree, has  
3           traditionally been a key reason for volunteering for  
4           service in the Armed Forces. For members who  
5           serve a career in the Armed Forces, this goal ex-  
6           tends to their spouses and children and has resulted  
7           in requests for the option to transfer educational  
8           benefits under the GI Bill to spouses and children.

9           (7) As in the aftermath of World War II, col-  
10          leges and universities throughout the United States  
11          should demonstrate their and the Nation's apprecia-  
12          tion to veterans by dedicated programs providing fi-  
13          nancial aid.

14          (8) It is in that national interest for the United  
15          States—

16                (A) to express the gratitude of the Amer-  
17                ican people by assisting those who have honor-  
18                ably served in the Armed Forces and returned  
19                to civilian life to achieve their educational goals;

20                (B) to provide significant educational bene-  
21                fits to provide incentives for successful recruit-  
22                ing;

23                (C) to motivate continued service in the All  
24          Volunteer Force by those members with the po-

1           tential for military careers and their spouses  
2           and children; and

3           (D) to assist those who serve and their  
4           families in achieving their personal goals, in-  
5           cluding higher education, while progressing in a  
6           military career.

7   **SEC. 1703. PLAN ON COORDINATION OF CURRENT EDU-**  
8                   **CATIONAL ASSISTANCE PROGRAMS AND DE-**  
9                   **VELOPMENT OF ADDITIONAL EDUCATIONAL**  
10                  **ASSISTANCE PROGRAMS TO ENABLE CA-**  
11                  **REER-ORIENTED MEMBERS OF THE ARMED**  
12                  **FORCES TO ATTAIN A BACHELOR'S DEGREE.**

13       (a) SENSE OF CONGRESS.—It is the sense of Con-  
14       gress that—

15           (1) the outstanding men and women who volun-  
16       teer for service in the Armed Forces and dem-  
17       onstrate through their service the ability, motivation,  
18       and commitment to serve as career commissioned of-  
19       ficers, noncommissioned officers, petty officers, and  
20       warrant officers should be given the opportunities  
21       and resources needed to obtain a bachelor's degree  
22       before they complete active duty and retire from the  
23       Armed Forces; and

24           (2) every effort should be made by the leaders  
25       of the Army, Navy, Marine Corps, Air Force, and

1 Coast Guard to demonstrate to members of the  
2 Armed Forces who are willing to serve and study  
3 that the dual goals of attaining a bachelor's degree  
4 and a distinguished military career are achievable  
5 and not mutually exclusive.

6 (b) PLAN TO COORDINATE AND DEVELOP EDU-  
7 CATIONAL ASSISTANCE PROGRAMS.—

8 (1) PLAN REQUIRED.—The Secretary of De-  
9 fense, in consultation with the Secretary of Veterans  
10 Affairs, shall develop a plan to make the attainment  
11 of a bachelor's degree an achievable goal for mem-  
12 bers of the Armed Forces who are motivated to-  
13 wards careers in the Armed Forces and who are able  
14 and willing to accept the challenges of military duty  
15 and pursuit of college level studies.

16 (2) ADVICE OF THE SERVICE CHIEFS.—The  
17 Secretary of Defense shall develop the plan required  
18 by paragraph (1) with the advice of the Chief of  
19 Staff of the Army, the Chief of Naval Operations,  
20 the Chief of Staff of the Air Force, and the Com-  
21 mandant of the Marine Corps.

22 (3) ELEMENTS.—The plan required by para-  
23 graph (1) shall include the following:

24 (A) Appropriate elements of current pro-  
25 grams to assist members of the Armed Forces

1 in obtaining college-level education, including  
2 tuition assistance programs, distance learning  
3 programs, and technical training and education  
4 provided by the military departments, including  
5 programs currently administered by the Sec-  
6 retary of Veterans Affairs.

7 (B) Appropriate elements of current pro-  
8 grams to provide members of the Armed Forces  
9 with assistance in obtaining college-level credit  
10 for the technical training and experience they  
11 undergo during their military career.

12 (C) One or more additional education pro-  
13 grams to assist members of the Armed Forces  
14 in obtaining a college-level education, including  
15 mechanisms for the provision by the military  
16 departments of guidance, mentoring, and re-  
17 sources to assist members in achieving their  
18 professional military and personal educational  
19 goals.

20 (D) Such additional programs or mecha-  
21 nisms, such as sabbaticals from the Armed  
22 Forces or college-level education provided or  
23 funded by the military departments, as the Sec-  
24 retary of Defense considers appropriate to as-  
25 sist members of the Armed Forces in making

1           adequate progress towards a bachelor's degree  
2           from an accredited institution of higher edu-  
3           cation while continuing a successful military ca-  
4           reer.

5           (E) Such mechanisms for the application  
6           of the elements of the plan to members of the  
7           National Guard and Reserves as the Secretary  
8           of Defense considers appropriate to ensure that  
9           such members receive appropriate assistance in  
10          achieving their professional military and per-  
11          sonal educational goals.

12          (F) Such elements of current programs of  
13          the military departments for in-service edu-  
14          cation of members of the Armed Forces as the  
15          Secretary of Defense considers appropriate to  
16          maintain and enhance the recruitment and re-  
17          tention by the Armed Forces of highly trained  
18          and experienced military leaders.

19          (4) SUBMITTAL TO CONGRESS.—The Secretary  
20          of Defense shall submit to the Committees on Armed  
21          Services of the Senate and the House of Representa-  
22          tives a report setting forth the plan required by  
23          paragraph (1) not later than August 1, 2009.

1   **SEC. 1704. INCREASE IN RATES OF BASIC EDUCATIONAL AS-**  
2                   **SISTANCE UNDER THE MONTGOMERY GI**  
3                   **BILL.**

4       (a) INCREASE IN GENERAL RATES AND AUGMENTED  
5 RATES FOR EXTENDED SERVICE.—

6           (1) RATES BASED ON THREE YEARS OF OBLI-  
7 GATED SERVICE.—Subsection (a)(1) of section 3015  
8 of title 38, United States Code, is amended by strik-  
9 ing “on a full-time basis, at the monthly rate of”  
10 and all that follows and inserting “on a full-time  
11 basis—

12                   “(A) in the case of an individual who  
13 served on active duty in the Armed Forces for  
14 12 or more years, at the monthly rate of—

15                           “(i) for months occurring during fis-  
16 cal year 2009, \$1,650;

17                           “(ii) for months occurring during fis-  
18 cal year 2010, \$1,800;

19                           “(iii) for months occurring during fis-  
20 cal year 2011, \$2,000; and

21                           “(iv) for months occurring during a  
22 subsequent fiscal year, the amount for  
23 months occurring during the preceding fis-  
24 cal year increased under subsection (h);  
25 and

1 “(B) in the case of an individual who  
2 served on active duty in the Armed Forces for  
3 less than 12 years, at the monthly rate of—

4 “(i) for months occurring during fis-  
5 cal year 2009, \$1,500; and

6 “(ii) for months occurring during a  
7 subsequent fiscal year, the amount for  
8 months occurring during the preceding fis-  
9 cal year increased under subsection (h);  
10 or”.

11 (2) RATES BASED ON TWO YEARS OF OBLI-  
12 GATED SERVICE.—Subsection (b)(1) of such section  
13 is amended—

14 (A) by striking subparagraphs (A) through  
15 (C) and inserting the following new subpara-  
16 graph (A):

17 “(A) for months occurring during fiscal  
18 year 2009, \$950; and”; and

19 (B) by redesignating subparagraph (D) as  
20 subparagraph (B).

21 (b) EFFECTIVE DATE.—

22 (1) IN GENERAL.—The amendments made by  
23 subsection (a) shall take effect on October 1, 2008,  
24 and shall apply with respect to basic educational as-



1       sistance payable for months beginning on or after  
2       that date.

3           (2) LIMITATION ON COST-OF-LIVING ADJUST-  
4       MENTS.—

5           (A) CERTAIN RATES BASED ON THREE  
6       YEARS OF OBLIGATED SERVICE.—No adjust-  
7       ment under subsection (h) of section 3015 of  
8       title 38, United States Code, shall be made in  
9       the rates of educational assistance payable  
10      under subsection (a)(1)(A) of such section (as  
11      amended by subsection (a)(1) of this section)  
12      for any of fiscal years 2009 through 2011.

13          (B) OTHER RATES.—No adjustment under  
14      subsection (h) of section 3015 of title 38,  
15      United States Code, shall be made in the rates  
16      of educational assistance payable under sub-  
17      section (a)(1)(B) of such section (as so amend-  
18      ed), or subsection (b) of such section, for fiscal  
19      year 2009.

20   **SEC. 1705. ANNUAL STIPEND FOR RECIPIENTS OF BASIC**  
21                   **EDUCATIONAL ASSISTANCE UNDER THE**  
22                   **MONTGOMERY GI BILL.**

23      (a) ENTITLEMENT TO STIPEND.—

1           (1) IN GENERAL.—Subchapter II of chapter 30  
2           of title 38, United States Code, is amended by add-  
3           ing at the end the following new section:

4   **“§ 3020A. Educational stipend**

5           “(a) ENTITLEMENT.—Each individual receiving basic  
6           educational assistance under this subchapter who is pur-  
7           suing a program of education at an institution of higher  
8           learning (as such term is defined in section 3452(f) of this  
9           title) is entitled to an educational stipend under this sec-  
10          tion.

11          “(b) AMOUNT OF STIPEND.—The educational stipend  
12          payable under this section to an individual entitled to such  
13          a stipend shall be paid—

14                 “(1) in the case of an individual pursuing an  
15                 approved program of education on at least a half-  
16                 time basis, at the annual rate of \$500; and

17                 “(2) in the case of an individual pursuing an  
18                 approved program of education on less than a half-  
19                 time basis, at the annual rate of \$350.

20          “(c) PAYMENT FREQUENCY AND METHOD.—The  
21          educational stipend payable under this subsection shall be  
22          paid with such frequency (including by lump sum), and  
23          by such mechanisms, as the Secretary shall prescribe for  
24          purposes of this section.”.

1           (2) CLERICAL AMENDMENT.—The table of sec-  
2           tions at the beginning of chapter 30 of such title is  
3           amended by adding at the end of the items relating  
4           to subchapter II the following new item:

“3020A. Educational stipend.”.

5           (b) EFFECTIVE DATE.—Section 3020A of title 38,  
6           United States Code, as added by subsection (a), shall take  
7           effect on the date that is one year after the date of the  
8           enactment of this Act.

9   **SEC. 1706. INCREASE IN RATES OF EDUCATIONAL ASSIST-**  
10                   **ANCE FOR MEMBERS OF THE SELECTED RE-**  
11                   **SERVE.**

12           (a) INCREASE IN RATES.—Section 16131(b)(1) of  
13           title 10, United States Code, is amended—

14                   (1) in subparagraph (A), by striking “\$251”  
15                   and inserting “\$634”;

16                   (2) in subparagraph (B), by striking “\$188”  
17                   and inserting “\$474”; and

18                   (3) in subparagraph (C), by striking “\$125”  
19                   and inserting “\$314”.

20           (b) EFFECTIVE DATE.—

21                   (1) IN GENERAL.—The amendments made by  
22                   subsection (a) shall take effect on October 1, 2008,  
23                   and shall apply with respect to educational assist-  
24                   ance payable for months beginning on or after that  
25                   date.

1           (2) NO COST-OF-LIVING ADJUSTMENT.—No ad-  
2       justment under paragraph (2) of section 16131(b) of  
3       title 10, United States Code, shall be made in the  
4       rates of educational assistance payable under para-  
5       graph (1) of such section for fiscal year 2009.

6   **SEC. 1707. INCREASE IN RATES OF EDUCATIONAL ASSIST-**  
7                   **ANCE FOR RESERVE COMPONENT MEMBERS**  
8                   **SUPPORTING CONTINGENCY OPERATIONS**  
9                   **AND OTHER OPERATIONS WITH EXTENDED**  
10                  **SERVICE IN THE SELECTED RESERVE.**

11       (a) INCREASE IN RATES FOR EXTENDED SERVICE.—  
12   Paragraph (2) of section 16162(c) of title 10, United  
13   States Code, is amended to read as follows:

14       “(2) The educational assistance allowance provided  
15   under this chapter shall be the amount as follows (as ad-  
16   justed under paragraphs (3) and (4)):

17           “(A) In the case of a member who serves an ag-  
18       gregate of 12 years or more in the Selected Reserve  
19       of the Ready Reserve, the amount provided under  
20       section 3015(a)(1)(A) of title 38 for the fiscal year  
21       concerned, except that if a member otherwise cov-  
22       ered by this subparagraph ceases serving in the Se-  
23       lected Reserve the amount shall be the amount pro-  
24       vided under subparagraph (B) of this paragraph.

1           “(B) In the case of any other member, the  
2           amount provided under section 3015(a)(1)(B) of  
3           title 38 for the fiscal year concerned.”.

4           (b) EFFECTIVE DATE.—The amendment made by  
5           subsection (a) shall take effect on October 1, 2008, and  
6           shall apply with respect to educational assistance payable  
7           for months beginning on or after that date.

8   **SEC. 1708. ENHANCEMENT OF TRANSFERABILITY OF ENTI-**  
9                           **TLEMENT TO EDUCATIONAL ASSISTANCE.**

10          (a) MODIFICATION OF AUTHORITY TO TRANSFER  
11          ENTITLEMENT UNDER MONTGOMERY GI BILL.—

12               (1) IN GENERAL.—Subsection (a) of section  
13          3020 of title 38, United States Code, is amended to  
14          read as follows:

15          “(a) IN GENERAL.—Subject to the provisions of this  
16          section, the Secretary of Defense shall authorize each Sec-  
17          retary concerned to permit an individual described in sub-  
18          section (b) who is entitled to basic educational assistance  
19          under this subchapter to elect to transfer to one or more  
20          of the dependents specified in subsection (c) the unused  
21          portion of such individual’s entitlement to such assistance,  
22          subject to the limitation under subsection (d).”.

23               (2) ELIGIBLE INDIVIDUALS.—Subsection (b) of  
24          such section is amended to read as follows:

1       “(b) ELIGIBLE INDIVIDUALS.—An individual re-  
2       ferred to in subsection (a) is any member of the Armed  
3       Forces serving on active duty or as a member of the Se-  
4       lected Reserve who, at the time of the approval by the  
5       Secretary concerned of the member’s request to transfer  
6       entitlement to basic educational assistance under this sec-  
7       tion—

8               “(1) has completed six years of service in the  
9       Armed Forces; and

10              “(2) meets such other requirements as the Sec-  
11       retary of Defense may prescribe for purposes of this  
12       section.”.

13              (3) LIMITATIONS ON MONTHS OF TRANSFER.—  
14       Subsection (d) of such section is amended to read as  
15       follows:

16       “(d) NUMBER OF MONTHS TRANSFERRABLE.—(1)  
17       Except as provided in paragraphs (2) and (3), an indi-  
18       vidual may transfer under this section any number of  
19       months of unused entitlement of the individual to basic  
20       educational assistance under this chapter.

21       “(2) In the case of an individual who has completed  
22       at least six but less than 12 years of service in the Armed  
23       Forces at the time of the approval by the Secretary con-  
24       cerned of the individual’s request to transfer entitlement  
25       under this section, the number of months that may be

1 transferred by the individual under this section may not  
2 exceed the lesser of—

3 “(A) the number of months transferrable by the  
4 individual under paragraph (1); or

5 “(B) 18 months.”.

6 (4) TIMING, REVOCATION, AND MODIFICATION  
7 OF TRANSFER.—Subsection (f) of such section is  
8 amended—

9 (A) in paragraph (1), by striking “without  
10 regard” and all that follows and inserting  
11 “while the individual is a member of the Armed  
12 Forces.”; and

13 (B) in paragraph (2)(A), by inserting  
14 “while the individual is serving as a member of  
15 the Armed Forces or in the Selected Reserve”  
16 after “at any time”.

17 (5) EXCLUSION FROM MARITAL PROPERTY.—  
18 Subsection (f) of such section is further amended by  
19 adding at the end the following new paragraph:

20 “(3) Entitlement transferred under this section may  
21 not be treated as marital property, or the asset of a mar-  
22 ital estate, subject to division in a divorce or other civil  
23 proceeding.”.

24 (6) OVERPAYMENT.—Subsection (i) of such sec-  
25 tion is amended—

1 (A) by striking “(1)” before “In the  
2 event”; and

3 (B) by striking paragraphs (2) and (3).

4 (7) REGULATIONS.—Subsection (k) of such sec-  
5 tion is amended to read as follows:

6 “(k) REGULATIONS.—The Secretary of Defense shall,  
7 in coordination with the Secretary of Veterans Affairs,  
8 prescribe regulations for purposes of this section. Such  
9 regulations shall specify the following:

10 “(1) The circumstances under which the Secre-  
11 taries concerned may permit and approve transfers  
12 of entitlement under this section.

13 “(2) Such requirements for eligibility for trans-  
14 fer of entitlement under this section as the Secretary  
15 of Defense considers appropriate for purposes of  
16 subsection (b)(2).

17 “(3) The manner and effect of an election to  
18 modify or revoke a transfer of entitlement under  
19 subsection (f)(2).”.

20 (8) HEADING AMENDMENT.—The heading of  
21 such section is amended to read as follows:

22 **“§ 3020. Transfer of entitlement to basic educational**  
23 **assistance”.**

24 (9) CLERICAL AMENDMENT.—The table of sec-  
25 tions at the beginning of chapter 30 of such title is



1       amended by striking the item relating to section  
2       3020 and inserting the following:

“3020. Transfer of entitlement to basic educational assistance.”.

3       (b) AUTHORITY FOR TRANSFER OF ENTITLEMENT  
4 UNDER RESERVE COMPONENTS EDUCATIONAL ASSIST-  
5 ANCE PROGRAMS.—

6           (1) SELECTED RESERVE PROGRAM.—

7           (A) IN GENERAL.—Chapter 1606 of title  
8       10, United States Code, is amended by insert-  
9       ing after section 16131a the following new sec-  
10      tion:

11   **“§ 16131b. Transfer of entitlement to educational as-**  
12           **sistance**

13       “(a) IN GENERAL.—Subject to the provisions of this  
14 section, the Secretary concerned may permit a member of  
15 the Armed Forces described in subsection (b) who is enti-  
16 tled to educational assistance under this chapter to elect  
17 to transfer to one or more of the dependents specified in  
18 subsection (c) a portion of such member’s entitlement to  
19 such assistance, subject to the limitations under sub-  
20 section (d).

21       “(b) ELIGIBLE MEMBERS.—A member described in  
22 this subsection is a member of the Selected Reserve of the  
23 Ready Reserve who, at the time of the approval of the  
24 member’s request to transfer entitlement to educational  
25 assistance under this section—

1           “(1) has completed at least six years of service  
2       in the Selected Reserve; and

3           “(2) meets such other requirements as the Sec-  
4       retary of Defense may prescribe for purposes of this  
5       section.

6       “(c) ELIGIBLE DEPENDENTS.—A member approved  
7       to transfer an entitlement to educational assistance under  
8       this section may transfer the member’s entitlement as fol-  
9       lows:

10           “(1) To the member’s spouse.

11           “(2) To one or more of the member’s children.

12           “(3) To a combination of the individuals re-  
13       ferred to in paragraphs (1) and (2).

14       “(d) NUMBER OF MONTHS TRANSFERRABLE.—(1)  
15       Except as provided in paragraph (2), a member may  
16       transfer under this section any number of months of un-  
17       used entitlement of the member to educational assistance  
18       under this chapter.

19       “(2) In the case of a member who has completed at  
20       least six but less than 12 years of service in the Selected  
21       Reserve at the time of the approval by the Secretary con-  
22       cerned of the member’s request to transfer entitlement  
23       under this section, the number of months that may be  
24       transferred by the member under this section may not ex-  
25       ceed the lesser of—

1           “(A) the number of months transferrable by the  
2           individual under paragraph (1); or

3           “(B) 18 months.

4           “(e) DESIGNATION OF TRANSFEREE.—A member  
5           transferring an entitlement to educational assistance  
6           under this section shall—

7           “(1) designate the dependent or dependents to  
8           whom such entitlement is being transferred;

9           “(2) designate the number of months of such  
10          entitlement to be transferred to each such depen-  
11          ent; and

12          “(3) specify the period for which the transfer  
13          shall be effective for each dependent designated  
14          under paragraph (1).

15          “(f) TIME FOR TRANSFER; REVOCATION AND MODI-  
16          FICATION.—(1) Subject to the time limitation for use of  
17          entitlement under section 16133 of this title, a member  
18          approved to transfer entitlement to educational assistance  
19          under this section may transfer such entitlement at any  
20          time after the approval of the member’s request to trans-  
21          fer such entitlement.

22          “(2)(A) A member transferring entitlement under  
23          this section may modify or revoke at any time the transfer  
24          of any unused portion of the entitlement so transferred.

1       “(B) The modification or revocation of the transfer  
2 of entitlement under this paragraph shall be made by the  
3 submittal of written notice of the action to both the Sec-  
4 retary concerned and the Secretary of Veterans Affairs.

5       “(3) Entitlement transferred under this section may  
6 not be treated as marital property, or the asset of a mar-  
7 ital estate, subject to division in a divorce or other civil  
8 proceeding.

9       “(g) COMMENCEMENT OF USE.—A dependent to  
10 whom entitlement to educational assistance is transferred  
11 under this section may not commence the use of the trans-  
12 ferred entitlement until—

13           “(1) in the case of entitlement transferred to a  
14 spouse, the completion by the member making the  
15 transfer of six years of service in the Selected Re-  
16 serve; or

17           “(2) in the case of entitlement transferred to a  
18 child, both—

19               “(A) the completion by the member mak-  
20 ing the transfer of six years of service in the  
21 Selected Reserve; and

22               “(B) either—

23                   “(i) the completion by the child of the  
24 requirements of a secondary school di-  
25 ploma (or equivalency certificate); or

1                   “(ii) the attainment by the child of 18  
2                   years of age.

3           “(h) ADDITIONAL ADMINISTRATIVE MATTERS.—(1)  
4 The use of any entitlement to educational assistance  
5 transferred under this section shall be charged against the  
6 entitlement of the member making the transfer at the rate  
7 of one month for each month of transferred entitlement  
8 that is used.

9           “(2) Except as provided under subsection (e)(2) and  
10 subject to paragraphs (5) and (6), a dependent to whom  
11 entitlement is transferred under this section is entitled to  
12 educational assistance under this chapter in the same  
13 manner as the member from whom the entitlement was  
14 transferred.

15           “(3) The monthly rate of educational assistance pay-  
16 able to a dependent to whom entitlement is transferred  
17 under this section shall be the monthly amount payable  
18 to the member making the transfer under section 16131  
19 or 16132a of this title, as applicable.

20           “(4)(A) The death of a member transferring entitle-  
21 ment under this section shall not affect the use of the enti-  
22 tlement by the dependent to whom the entitlement is  
23 transferred.

24           “(B) The involuntary separation or retirement of a  
25 member transferring entitlement under this section be-

1 cause of a nondiscretionary provision of law for age or for  
2 years of service, as described in section 16133(b) of this  
3 title, or medical disqualification which is not the result of  
4 gross negligence or misconduct of the member shall not  
5 affect the use of entitlement by the dependent to whom  
6 the entitlement is transferred.

7 “(5) A child to whom entitlement is transferred under  
8 this section may not use any entitlement so transferred  
9 after attaining the age of 26 years.

10 “(6) The purposes for which a dependent to whom  
11 entitlement is transferred under this section may use such  
12 entitlement shall include the pursuit and completion of the  
13 requirements of a secondary school diploma (or equiva-  
14 lency certificate).

15 “(7) The administrative provisions of this chapter  
16 shall apply to the use of entitlement transferred under this  
17 section, except that the dependent to whom the entitle-  
18 ment is transferred shall be treated as the eligible member  
19 for purposes of such provisions.

20 “(i) OVERPAYMENT.—(1) In the event of an overpay-  
21 ment of educational assistance with respect to a dependent  
22 to whom entitlement is transferred under this section, the  
23 dependent and the member making the transfer shall be  
24 jointly and severally liable to the United States for the

1 amount of the overpayment for purposes of section 3685  
2 of title 38.

3 “(2)(A) Except as provided in subparagraph (B), in  
4 the case of a member transferring entitlement under this  
5 section whose eligibility is terminated under section  
6 16134(2) of this title, the amount of any transferred enti-  
7 tlement under this section that is used by a dependent  
8 of the member as of the date of the failure of the member  
9 to participate satisfactorily in training as specified in sec-  
10 tion 16134(2) of this title shall be treated as an overpay-  
11 ment of educational assistance under paragraph (1).

12 “(B) Subparagraph (A) shall not apply in the case  
13 of a member who fails to complete service agreed to by  
14 the member—

15 “(i) by reason of the death of the member; or

16 “(ii) for a reason referred to in section  
17 16133(b) of this title.

18 “(j) APPROVALS OF TRANSFER SUBJECT TO AVAIL-  
19 ABILITY OF APPROPRIATIONS.—The Secretary concerned  
20 may approve transfers of entitlement to educational assist-  
21 ance under this section in a fiscal year only to the extent  
22 that appropriations for military personnel are available in  
23 that fiscal year for purposes of making deposits in the De-  
24 partment of Defense Education Benefits Fund under sec-  
25 tion 2006 of this title in that fiscal year to cover the

1 present value of future benefits payable from the Fund  
2 for the Department of Defense portion of payments of  
3 educational assistance attributable to increased usage of  
4 benefits as a result of such transfers of entitlement in that  
5 fiscal year.

6 “(k) REGULATIONS.—The Secretary of Defense shall,  
7 in consultation with the Secretary of Veterans Affairs,  
8 prescribe regulations for purposes of this section. Such  
9 regulations shall specify the following:

10 “(1) The circumstances under which the Secre-  
11 taries concerned may permit and approve transfers  
12 of entitlement under this section.

13 “(2) Such requirements for eligibility for trans-  
14 fer of entitlement under this section as the Secretary  
15 of Defense considers appropriate for purposes of  
16 subsection (b)(2).

17 “(3) The manner and effect of an election to  
18 modify or revoke a transfer of entitlement under  
19 subsection (f)(2).”.

20 (B) CLERICAL AMENDMENT.—The table of  
21 sections at the beginning of chapter 1606 of  
22 such title is amended by inserting after the  
23 item relating to section 16131a the following  
24 new item:

“16131b. Transfer of entitlement to educational assistance.”.



1           (2) PROGRAM FOR RESERVE COMPONENTS SUP-  
2           PORTING CONTINGENCY AND OTHER OPERATIONS.—

3           (A) IN GENERAL.—Chapter 1607 of title  
4           10, United States Code, is amended by insert-  
5           ing after section 16162a the following new sec-  
6           tion:

7   **“§ 16162b. Transfer of entitlement to educational as-**  
8           **sistance**

9           “(a) IN GENERAL.—Subject to the provisions of this  
10          section, the Secretary concerned may permit a member of  
11          the Armed Forces described in subsection (b) who is enti-  
12          tled to educational assistance under this chapter to elect  
13          to transfer to one or more of the dependents specified in  
14          subsection (c) a portion of such member’s entitlement to  
15          such assistance, subject to the limitations under sub-  
16          section (d).

17          “(b) ELIGIBLE MEMBERS.—A member referred to in  
18          subsection (a) is a member of the Armed Forces who, at  
19          the time of the approval of the member’s request to trans-  
20          fer entitlement to educational assistance under this sec-  
21          tion—

22                  “(1) has completed at least six years of service  
23          in the Armed Forces; and

1           “(2) meets such other requirements as the Sec-  
2       retary of Defense may prescribe for purposes of this  
3       section.

4       “(c) ELIGIBLE DEPENDENTS.—A member approved  
5       to transfer an entitlement to educational assistance under  
6       this section may transfer the member’s entitlement as fol-  
7       lows:

8           “(1) To the member’s spouse.

9           “(2) To one or more of the member’s children.

10          “(3) To a combination of the individuals re-  
11       ferred to in paragraphs (1) and (2).

12       “(d) NUMBER OF MONTHS TRANSFERRABLE.—(1)  
13       Except as provided in paragraph (2), a member may  
14       transfer under this section any number of months of un-  
15       used entitlement of the member to educational assistance  
16       under this chapter.

17       “(2) In the case of a member who has completed at  
18       least six but less than 12 years of service in the Armed  
19       Forces at the time of the approval by the Secretary con-  
20       cerned of the member’s request to transfer entitlement  
21       under this section, the number of months that may be  
22       transferred by the member under this section may not ex-  
23       ceed the lesser of—

24           “(A) the number of months transferrable by the  
25       individual under paragraph (1); or

1           “(B) 18 months.

2           “(e) DESIGNATION OF TRANSFEREE.—A member  
3 transferring an entitlement to educational assistance  
4 under this section shall—

5           “(1) designate the dependent or dependents to  
6 whom such entitlement is being transferred;

7           “(2) designate the number of months of such  
8 entitlement to be transferred to each such depend-  
9 ent; and

10           “(3) specify the period for which the transfer  
11 shall be effective for each dependent designated  
12 under paragraph (1).

13           “(f) TIME FOR TRANSFER; REVOCATION AND MODI-  
14 FICATION.—(1) Subject to the time limitation for use of  
15 entitlement under section 16164 of this title, a member  
16 approved to transfer entitlement to educational assistance  
17 under this section may transfer such entitlement only  
18 while serving as a member of the Armed Forces when the  
19 transfer is executed.

20           “(2)(A) A member transferring entitlement under  
21 this section may modify or revoke at any time the transfer  
22 of any unused portion of the entitlement so transferred.

23           “(B) The modification or revocation of the transfer  
24 of entitlement under this paragraph shall be made by the

1   submittal of written notice of the action to both the Sec-  
2   retary concerned and the Secretary of Veterans Affairs.

3       “(g) COMMENCEMENT OF USE.—A dependent to  
4   whom entitlement to educational assistance as transferred  
5   under this section may not commence the use of the trans-  
6   ferred entitlement until—

7           “(1) in the case of entitlement transferred to a  
8       spouse, the completion by the member making the  
9       transfer of the years of service in the Armed Forces  
10      applicable to the member under subsection (b); or

11           “(2) in the case of entitlement transferred to a  
12      child, both—

13           “(A) the completion by the member mak-  
14      ing the transfer of the years of service in the  
15      Armed Forces applicable to the member under  
16      subsection; and

17           “(B) either—

18           “(i) the completion by the child of the  
19      requirements of a secondary school di-  
20      ploma (or equivalency certificate); or

21           “(ii) the attainment by the child of 18  
22      years of age.

23       “(h) ADDITIONAL ADMINISTRATIVE MATTERS.—(1)  
24   The use of any entitlement to educational assistance  
25   transferred under this section shall be charged against the

1 entitlement of the member making the transfer at the rate  
2 of one month for each month of transferred entitlement  
3 that is used.

4 “(2) Except as provided under subsection (e)(2) and  
5 subject to paragraphs (5) and (6), a dependent to whom  
6 entitlement is transferred under this section is entitled to  
7 educational assistance under this chapter in the same  
8 manner as the member from whom the entitlement was  
9 transferred.

10 “(3) The monthly rate of educational assistance pay-  
11 able to a dependent to whom entitlement is transferred  
12 under this section shall be the monthly amount payable  
13 to the member making the transfer under section 16162  
14 or 16162a of this title, as applicable.

15 “(4) The death of a member transferring an entitle-  
16 ment under this section shall not affect the use of the enti-  
17 tlement by the dependent to whom the entitlement is  
18 transferred.

19 “(5) A child to whom entitlement is transferred under  
20 this section may not use any entitlement so transferred  
21 after attaining the age of 26 years.

22 “(6) The purposes for which a dependent to whom  
23 entitlement is transferred under this section may use such  
24 entitlement shall include the pursuit and completion of the

1 requirements of a secondary school diploma (or equiva-  
2 lency certificate).

3 “(7) The administrative provisions of this chapter  
4 shall apply to the use of entitlement transferred under this  
5 section, except that the dependent to whom the entitle-  
6 ment is transferred shall be treated as the eligible member  
7 for purposes of such provisions.

8 “(i) OVERPAYMENT.—In the event of an overpayment  
9 of educational assistance with respect to a dependent to  
10 whom entitlement is transferred under this section, the de-  
11 pendent and the member making the transfer shall be  
12 jointly and severally liable to the United States for the  
13 amount of the overpayment for purposes of section 3685  
14 of title 38.

15 “(j) APPROVALS OF TRANSFER SUBJECT TO AVAIL-  
16 ABILITY OF APPROPRIATIONS.—The Secretary concerned  
17 may approve transfers of entitlement to educational assist-  
18 ance under this section in a fiscal year only to the extent  
19 that appropriations for military personnel are available in  
20 that fiscal year for purposes of making deposits in the De-  
21 partment of Defense Education Benefits Fund under sec-  
22 tion 2006 of this title in that fiscal year to cover the  
23 present value of future benefits payable from the Fund  
24 for the Department of Defense portion of payments of  
25 educational assistance attributable to increased usage of

1 benefits as result of such transfers of entitlement in that  
2 fiscal year.

3 “(k) REGULATIONS.—The Secretary of Defense, in  
4 consultation with the Secretary of Veterans Affairs, shall  
5 prescribe regulations for purposes of this section. Such  
6 regulations shall specify the following:

7 “(1) The circumstances under which the Secre-  
8 taries concerned may permit and approve transfers  
9 of entitlement under this section.

10 “(2) Such requirements for eligibility for trans-  
11 fer of entitlement under this section as the Secretary  
12 of Defense considers appropriate for purposes of  
13 subsection (b)(2).

14 “(3) The manner and effect of an election to  
15 modify or revoke a transfer of entitlement under  
16 subsection (f)(2).”.

17 (B) CLERICAL AMENDMENT.—The table of  
18 sections at the beginning of chapter 1607 of  
19 such title is amended by inserting after the  
20 item relating to section 16162a the following  
21 new item:

“16162b. Transfer of entitlement to educational assistance.”.

22 (3) FUNDING UNDER DEPARTMENT OF DE-  
23 FENSE EDUCATION BENEFITS FUND.—Section  
24 2006(b)(2)(D) of title 10, United States Code, is  
25 amended by inserting before the period at the end

1 the following: “, including payments attributable to  
2 increased usage of benefits as a result of transfers  
3 of entitlement to educational assistance under sec-  
4 tions 16131b and 16162b of this title”.

5 (c) EFFECTIVE DATE.—The amendments made by  
6 this subsection shall take effect on October 1, 2009.

7 **SEC. 1709. USE OF EDUCATIONAL ASSISTANCE TO REPAY**  
8 **FEDERAL STUDENT LOANS.**

9 (a) USE OF EDUCATIONAL ASSISTANCE TO REPAY  
10 FEDERAL STUDENT LOANS.—

11 (1) IN GENERAL.—Subchapter II of chapter 30  
12 of title 38, United States Code, as amended by sec-  
13 tion 1705(a) of this Act, is further amended by in-  
14 serting after section 3020A the following new sec-  
15 tion:

16 **“§ 3020B. Use of basic educational assistance benefits**  
17 **for repayment of Federal student loans**

18 “(a) IN GENERAL.—An individual entitled to basic  
19 educational assistance under this subchapter who is serv-  
20 ing on active duty in the Armed Forces may elect to apply  
21 amounts of basic educational assistance otherwise avail-  
22 able to the individual under this subchapter to repay all  
23 or a portion of the outstanding principal and interest on  
24 any Federal student loan owed by the individual for the  
25 individual’s pursuit of a course of education.



1       “(b) DESIGNATION OF LOANS AND AMOUNTS PAY-  
2 ABLE.—An individual electing under this section to apply  
3 amounts of basic educational assistance to the payment  
4 of the outstanding principal and interest on Federal stu-  
5 dent loans shall designate (in such form and manner as  
6 the Secretary shall prescribe for purposes of this section)  
7 the following:

8           “(1) Each Federal student loan of the indi-  
9 vidual for which payment shall be made under this  
10 section.

11          “(2) For each Federal student loan designated  
12 under paragraph (1), the monthly amount to be paid  
13 under this section.

14       “(c) LIMITATION ON AMOUNT OF PAYMENTS.—(1)  
15 The monthly amount payable with respect to an individual  
16 under this section may not exceed the monthly rate of  
17 basic educational assistance to which the individual is oth-  
18 erwise entitled under this subchapter at the time of pay-  
19 ment of such monthly amount.

20       “(2) The aggregate amount of basic educational as-  
21 sistance payable with respect to an individual under this  
22 section for any 12-month period may not exceed \$6,000.

23       “(d) FREQUENCY OF PAYMENTS.—Payment of  
24 amounts of principal and interest on Federal student loans

1 of an individual under this section shall be made on a  
2 monthly basis.

3 “(e) CESSATION OF PAYMENTS.—Payments made  
4 under this section with respect to an individual shall cease  
5 if the individual ceases serving on active duty in the  
6 Armed Forces, effective as of the first month that begins  
7 after the date on which the individual ceases serving on  
8 active duty in the Armed Forces.

9 “(f) CHARGE AGAINST ENTITLEMENT.—The period  
10 of entitlement to basic educational assistance under this  
11 subchapter of an individual for whom payments are made  
12 under this section shall be charged at the rate of one  
13 month for each payment or aggregate of payments under  
14 this section that are equivalent in amount to the monthly  
15 rate of basic educational assistance to which the individual  
16 is otherwise entitled under this subchapter.

17 “(g) REGULATIONS.—The Secretary shall prescribe  
18 such regulations as the Secretary considers appropriate  
19 for purposes of the administration of this section.

20 “(h) FEDERAL STUDENT LOAN DEFINED.—In this  
21 section, the term ‘Federal student loan’ means any loan  
22 made under title IV of the Higher Education Act of 1965  
23 (20 U.S.C. 1070 et seq.).”.

24 (2) CLERICAL AMENDMENT.—The table of sec-  
25 tions of subchapter II of chapter 30 of such title, as

1       so amended, is further amended by inserting after  
2       the item relating to section 3020A the following new  
3       item:

“3020B. Use of basic educational assistance benefits for repayment of Federal student loans.”.

4       (b) **EFFECTIVE DATE.**—Section 3020B of title 38,  
5       United States Code, as added by subsection (a), shall  
6       apply with respect to educational assistance payable for  
7       months that begin on or after the date that is one year  
8       after the date of the enactment of this Act.

9       **SEC. 1710. EDUCATIONAL ASSISTANCE FOR GRADUATES OF**  
10       **THE SERVICE ACADEMIES AND RESERVE OF-**  
11       **FICERS' TRAINING CORPS PROGRAMS.**

12       (a) **ACTIVE DUTY PROGRAM.**—

13               (1) **IN GENERAL.**—Subsection (a)(1) of section  
14       3011 of title 38, United States Code, is amended—

15               (A) in subparagraph (B), by striking “or”  
16       at the end;

17               (B) in subparagraph (C), by adding “or”  
18       at the end; and

19               (C) by adding at the end the following new  
20       subparagraph:

21               “(D) after September 30, 2009—

22               “(i) receives a commission as an offi-  
23       cer in the Armed Forces—

1 “(I) upon graduation from the  
2 United States Military Academy, the  
3 United States Naval Academy, the  
4 United States Air Force Academy, or  
5 the Coast Guard Academy; or

6 “(II) upon completion of a Senior  
7 Reserve Officers’ Training Corps pro-  
8 gram under chapter 103 of title 10;  
9 and

10 “(ii) completes at least five years of  
11 continuous active duty in the Armed  
12 Forces (excluding any period of obligated  
13 service in connection with receipt of a com-  
14 mission as an officer in the Armed Forces  
15 under clause (i) and excluding any other  
16 period of obligated service in connection  
17 with education, training, or instruction  
18 provided or funded, whether in whole or in  
19 part, by the United States);”.

20 (2) CONFORMING AMENDMENTS.—Such section  
21 is further amended—

22 (A) in subsection (b), by striking “sub-  
23 section (c)(1)” and inserting “subsection (c)”;

24 (B) in subsection (c)—

25 (i) by striking “(1)” after “(c)”; and

1 (ii) by striking paragraphs (2) and  
2 (3); and

3 (C) in subsection (e)(1), by striking “sub-  
4 section (c)(1)” and inserting “subsection (c)”.

5 (b) SELECTED RESERVE PROGRAM.—

6 (1) IN GENERAL.—Subsection (a)(1) of section  
7 3012 of such title is amended—

8 (A) in subparagraph (B), by striking “or”  
9 at the end;

10 (B) in subparagraph (C), by adding “or”  
11 at the end; and

12 (C) by adding at the end the following new  
13 subparagraph:

14 “(D) after September 30, 2009—

15 “(i) receives a commission as an offi-  
16 cer in the Armed Forces—

17 “(I) upon graduation from the  
18 United States Military Academy, the  
19 United States Naval Academy, the  
20 United States Air Force Academy, or  
21 the Coast Guard Academy; or

22 “(II) upon completion of a Senior  
23 Reserve Officers’ Training Corps pro-  
24 gram under chapter 103 of title 10;  
25 and

1 “(ii) completes at least five years of  
2 continuous active duty in the Armed  
3 Forces (excluding any period of obligated  
4 service in connection with receipt of a com-  
5 mission as an officer in the Armed Forces  
6 under clause (i) and excluding any other  
7 period of obligated service in connection  
8 with education, training, or instruction  
9 provided or funded, whether in whole or in  
10 part, by the United States);”.

11 (2) CONFORMING AMENDMENTS.—Such section  
12 is further amended—

13 (A) in subsection (c), by striking “sub-  
14 section (d)(1)” and inserting “subsection (d)”;

15 (B) in subsection (d)—

16 (i) by striking “(1)” after “(d)”; and

17 (ii) by striking paragraphs (2) and  
18 (3); and

19 (C) in subsection (f)(1), by striking “sub-  
20 section (d)(1)” and inserting “subsection (d)”.

21 (c) AMOUNT OF BASIC EDUCATIONAL ASSIST-  
22 ANCE.—Section 3015(c) of such title is amended—

23 (1) in paragraph (1), by striking “paragraph  
24 (2)” and inserting “paragraphs (2) and (3)”; and

1           (2) by adding at the end the following new  
2       paragraph:

3       “(3) Paragraph (1) of this section also applies to the  
4       following:

5           “(A) An individual entitled to an educational  
6       assistance allowance under section 3011 of this title  
7       by reason of subsection (a)(1)(D) of such section.

8           “(B) An individual entitled to an educational  
9       assistance allowance under section 3012 of this title  
10      by reason of subsection (a)(1)(D) of such section.”.

11      (d) EFFECTIVE DATE.—The amendments made by  
12      this section shall take effect on October 1, 2009.

13   **SEC. 1711. OPPORTUNITY FOR CURRENT AND CERTAIN RE-**  
14                           **TIRED VEAP-ERA PERSONNEL TO ENROLL IN**  
15                           **BASIC EDUCATIONAL ASSISTANCE UNDER**  
16                           **THE MONTGOMERY GI BILL.**

17      (a) OPPORTUNITY FOR CURRENT AND CERTAIN RE-  
18      TIRED VEAP-ERA PERSONNEL TO ENROLL.—

19           (1) IN GENERAL.—Chapter 30 of title 38,  
20      United States Code, is amended by inserting after  
21      section 3018C the following new section:

22   **“§ 3018D. Opportunity for current and certain retired**  
23                           **VEAP-era personnel to enroll**

24      “(a) IN GENERAL.—An individual described in sub-  
25      section (b) who makes an election described in paragraph

1 (5) of such subsection is entitled to basic educational as-  
2 sistance under this chapter, subject to the provisions of  
3 subsection (d).

4 “(b) COVERED INDIVIDUALS.—An individual de-  
5 scribed in this subsection is an individual who meets each  
6 of the following requirements:

7 “(1) The individual first became a member of  
8 the Armed Forces or first entered on active duty as  
9 a member of the Armed Forces on or after January  
10 1, 1977, but before July 1, 1985.

11 “(2) The individual, as of the date of the indi-  
12 vidual’s election under paragraph (5)—

13 “(A) is serving on active duty without a  
14 break in service (other than as described in sec-  
15 tion 3202(1)(C) of this title) since the date the  
16 individual first became such a member or first  
17 entered on active duty as such a member; or

18 “(B) is retired from the Armed Forces  
19 after serving at least 20 years on active duty in  
20 the Armed Forces, which service included serv-  
21 ice on active duty in the Armed Forces on or  
22 after September 11, 2001, and elected not to  
23 participate in the program of educational assist-  
24 ance under chapter 32 of this title.



1           “(3) The individual, before applying for benefits  
2           under this section, has completed the requirements  
3           of a secondary school diploma (or equivalency certifi-  
4           cate) or has successfully completed the equivalent of  
5           12 semester hours in a program of education leading  
6           to a standard college degree, but has not completed  
7           the requirements for nor been awarded a bachelor’s  
8           degree.

9           “(4) The individual—

10           “(A) in the case of an individual described  
11           by paragraph (2)(A), is discharged with an hon-  
12           orable discharge or released with service charac-  
13           terized as honorable by the Secretary con-  
14           cerned; or

15           “(B) in the case of an individual described  
16           by paragraph (2)(B), was discharged with an  
17           honorable discharge or released with service  
18           characterized as honorable by the Secretary  
19           concerned.

20           “(5) During the one-year period beginning on  
21           October 1, 2009, the individual makes an irrevocable  
22           election to receive benefits under this section pursu-  
23           ant to procedures which the Secretary of each mili-  
24           tary department shall provide in accordance with  
25           regulations prescribed by the Secretary of Defense

1       for the purpose of carrying out this section or which  
2       the Secretary of Transportation shall provide for  
3       such purpose with respect to the Coast Guard when  
4       it is not operating as a service in the Navy.

5       “(c) REDUCTION OF PAY; COLLECTION AND PAY-  
6       MENT OF AMOUNTS.—(1) In the case of an individual de-  
7       scribed by subsection (b) who makes an election under this  
8       section to become entitled to basic educational assistance  
9       under this chapter—

10           “(A) the basic pay or retired or retainer pay, as  
11           applicable, of the individual shall be reduced (in a  
12           manner determined by the Secretary concerned)  
13           until the total amount by which such pay is reduced  
14           is \$2,700; or

15           “(B) to the extent that the basic pay of the in-  
16           dividual is not so reduced before the individual’s dis-  
17           charge or release from active duty as described in  
18           subsection (d)(4)(A), the Secretary concerned shall  
19           collect from the individual an amount equal to the  
20           difference between \$2,700 and the total amount of  
21           reductions with respect to the individual under sub-  
22           paragraph (A).

23       “(2) An individual covered by paragraph (1) may at  
24       any time pay the Secretary concerned an amount equal  
25       to the difference between the total of the reductions other-

1 wise required with respect to the individual under that  
2 paragraph and the total amount of the reductions with  
3 respect to the individual under that paragraph at the time  
4 of the payment.

5 “(3) Any amounts collected under paragraph (1)(B)  
6 or paid under paragraph (2) shall be paid into the Depart-  
7 ment of Defense Education Benefits Fund under section  
8 2006 of title 10.

9 “(4) The total amount of reductions in pay, or of col-  
10 lections or payments, required with respect to an indi-  
11 vidual under paragraph (1) shall be achieved not later  
12 than 12 months after the date on which the individual  
13 makes an election under subsection (b)(5).

14 “(5) No amount of educational assistance allowance  
15 under this chapter shall be paid to an individual covered  
16 by paragraph (1) until the date on which the total amount  
17 of reductions in pay, or of collections or payments, re-  
18 quired with respect to the individual under paragraph (1)  
19 is achieved.

20 “(d) LIMITATIONS ON BASIC EDUCATIONAL ASSIST-  
21 ANCE.—(1) The basic educational assistance allowance  
22 payable under this chapter to an individual entitled to  
23 such educational assistance allowance under this section  
24 shall be payable at the monthly rate of basic educational

1 assistance payable under section 3015(a)(1)(B) of this  
2 title.

3 “(2) Basic educational assistance under this section  
4 shall be available only for pursuit of a non-degree voca-  
5 tional training program, an associate degree, or a bach-  
6 elor’s degree, but shall not be available for pursuit of a  
7 masters degree or other advanced college degree.

8 “(3) An individual entitled under this section to basic  
9 educational assistance under this chapter is entitled to the  
10 educational stipend provided under section 3020A of this  
11 title.

12 “(4)(A) Entitlement under this section to basic edu-  
13 cational assistance under this chapter is not transferrable  
14 under the provisions of section 3020 of this title.

15 “(B) An individual entitled under this section to basic  
16 educational assistance under this chapter is not eligible  
17 for the following:

18 “(i) The use of basic educational assistance  
19 benefits under this chapter for the repayment of  
20 Federal student loans under section 3020B of this  
21 title.

22 “(ii) Supplemental educational assistance au-  
23 thorized by subchapter III of this chapter.

24 “(5)(A) Except as provided in subparagraph (B), the  
25 provisions of section 3031 of this title shall apply to the

1 use of entitlement under this section to basic educational  
2 assistance under this chapter.

3 “(B) In the case of an individual entitled under this  
4 section to basic educational assistance under this chapter  
5 who is described by subsection (b)(2)(B), the period dur-  
6 ing which the individual may use such entitlement expires  
7 on October 1, 2019.

8 “(e) OUTREACH.—The Secretary shall, in coordina-  
9 tion with the Secretary of Defense, provide for notice of  
10 the opportunity under this section to elect to become enti-  
11 tled to basic educational assistance under this chapter.”.

12 (2) CLERICAL AMENDMENT.—The table of sec-  
13 tions at the beginning of chapter 30 of such title is  
14 amended by inserting after the item relating to sec-  
15 tion 3018C the following new item:

“3018D. Opportunity for current and certain retired VEAP-era personnel to en-  
roll.”.

16 (b) CONFORMING AMENDMENTS.—Section  
17 3017(b)(1) of such title is amended—

18 (1) in subparagraphs (A) and (C), by striking  
19 “or 3018C(e)” and inserting “3018C(e), or  
20 3018D(c)”; and

21 (2) in subparagraph (B), by striking “or  
22 3018C(e) of this title” after “section 3018C(e), or  
23 3018D(c) of this title or paid by the individual  
24 under section 3018D(c) of this title”.

1 **SEC. 1712. COLLEGE PATRIOTS GRANT PROGRAM.**

2 (a) PROGRAM AUTHORIZED.—

3 (1) IN GENERAL.—Chapter 36 of title 38,  
4 United States Code, is amended by adding at the  
5 end the following new subchapter:

6 “SUBCHAPTER IV—COLLEGE PATRIOTS  
7 GRANTS

8 “§ 3699A. College Patriots Grant Program

9 “(a) PURPOSE.—It is the purpose of this section to  
10 provide, through a partnership with the Department and  
11 institutions of higher education, supplemental educational  
12 grants to assist in making available the benefits of post-  
13 secondary education to qualified veterans by meeting such  
14 veterans’ unmet financial need.

15 “(b) ESTABLISHMENT OF PROGRAM.—The Secretary  
16 shall carry out a supplemental educational grant program  
17 under which—

18 “(1) an institution of higher education partici-  
19 pating in the program voluntarily provides a covered  
20 individual enrolled in the institution with the non-  
21 Federal share of a percentage of the covered individ-  
22 ual’s unmet financial need determined in accordance  
23 with subsection (e); and

24 “(2) the Secretary provides the Federal share  
25 of a percentage of the covered individual’s unmet fi-

1        nancial need determined in accordance with sub-  
2        section (e).

3        “(c) DESIGNATION OF PROGRAM.—The program  
4        under this section shall be known as the ‘College Patriots  
5        Grant Program’.

6        “(d) INSTITUTIONAL ELIGIBILITY CRITERIA.—As-  
7        sistance may be made available under this section only to  
8        an institution of higher education that satisfies any cri-  
9        teria specified by the Secretary. Such criteria shall include  
10       an agreement or other appropriate assurance from the in-  
11       stitution of higher education that—

12                “(1) the non-Federal share of a covered individ-  
13        ual’s unmet financial need awarded under this sec-  
14        tion shall be provided from non-Federal resources,  
15        including—

16                        “(A) institutional grants and scholarships;

17                        “(B) tuition or fee waivers;

18                        “(C) State scholarships; and

19                        “(D) foundation or other charitable organi-  
20        zation funds; and

21                “(2) funds made available under this section  
22        shall be provided to a covered individual for whom  
23        the institution of higher education has made a deter-  
24        mination that the covered individual has an unmet  
25        financial need, which determination shall be made

1 before including Federal student loans under title IV  
2 of the Higher Education Act of 1965 in the covered  
3 individual's financial aid package.

4 “(e) FEDERAL SHARE; NON-FEDERAL SHARE.—

5 “(1) IN GENERAL.—The Secretary shall not ap-  
6 prove an institution of higher education for partici-  
7 pation in the College Patriots Grant Program unless  
8 the institution of higher education has provided, in  
9 the manner required by the Secretary, the following:

10 “(A) An agreement or other assurance that  
11 the institution of higher education will provide  
12 the non-Federal share in accordance with this  
13 subsection.

14 “(B) Information on the specific methods  
15 by which the non-Federal share shall be paid.

16 “(C) An acknowledgment that the non-  
17 Federal share provided under this subsection  
18 shall supplement and not supplant other Fed-  
19 eral and non-Federal funds.

20 “(2) FEDERAL AND NON-FEDERAL SHARES.—

21 Each institution of higher education participating in  
22 the program under this section shall select one of  
23 the three contribution percentage tiers described in  
24 paragraph (3) for purposes of meeting a percentage



1 of the unmet financial needs of covered individuals  
2 enrolled in the institution.

3 “(3) PERCENTAGE CONTRIBUTION TIERS.—

4 “(A) 25 PERCENT TIER.—In the case of a  
5 covered individual enrolled in the institution  
6 who has an unmet financial need that is—

7 “(i) less than \$8,000, the non-Federal  
8 share shall be 12.5 percent of the unmet  
9 financial need and the Federal share shall  
10 be 12.5 percent of the unmet financial  
11 need, except that the Federal share shall  
12 not exceed \$1,000; and

13 “(ii) equal to or greater than \$8,000,  
14 the Federal share shall be \$1,000 and the  
15 non-Federal share shall be 25 percent of  
16 the covered individual’s unmet financial  
17 need minus \$1,000.

18 “(B) 50 PERCENT TIER.—In the case of a  
19 covered individual enrolled in the institution  
20 who has an unmet financial need that is—

21 “(i) less than \$8,000, the non-Federal  
22 share shall be 25 percent of the unmet fi-  
23 nancial need and the Federal share shall  
24 be 25 percent of the unmet financial need,

1                   except that the Federal share shall not ex-  
2                   ceed \$2,000; and

3                   “(ii) equal to or greater than \$8,000,  
4                   the Federal share shall be \$2,000 and the  
5                   non-Federal share shall be 50 percent of  
6                   the covered individual’s unmet financial  
7                   need minus \$2,000.

8                   “(C) 100 PERCENT TIER.—In the case of  
9                   a covered individual enrolled in the institution  
10                  who has an unmet financial need that is—

11                  “(i) less than \$6,000, the non-Federal  
12                  share shall be 50 percent of the unmet fi-  
13                  nancial need and the Federal share shall  
14                  be 50 percent of the unmet financial need,  
15                  except that the Federal share shall not ex-  
16                  ceed \$3,000; and

17                  “(ii) equal to or greater than \$6,000,  
18                  the Federal share shall be \$3,000 and the  
19                  non-Federal share shall be 100 percent of  
20                  the covered individual’s unmet financial  
21                  need minus \$3,000.

22                  “(f) REGULATIONS.—The Secretary shall prescribe  
23                  regulations necessary to implement and administer the  
24                  College Patriots Grant Program, including regulations es-  
25                  tablishing the procedures for determining eligibility for the

1 program, applying for supplemental educational grants  
2 under the program, and distributing the Federal share  
3 provided by the Secretary under the program.

4 “(g) OUTREACH.—The Secretary of Veterans Affairs,  
5 in coordination with the Secretary of Defense and the Sec-  
6 retary of Education, shall—

7 “(1) make available to the public on the Inter-  
8 net website of the Department—

9 “(A) a current list of institutions of higher  
10 education participating in the College Patriots  
11 Grant Program; and

12 “(B) information on the extent of partici-  
13 pation of each institution of higher education  
14 participating in the College Patriots Grant Pro-  
15 gram;

16 “(2) make available to the public on the Inter-  
17 net website of the Department information about all  
18 Federal and State education benefits that members  
19 of the regular components of the Armed Forces,  
20 members of the reserve components of the Armed  
21 Forces, veterans, and their dependents may be eligi-  
22 ble to receive; and

23 “(3) make available to institutions of higher  
24 education information about the College Patriots  
25 Grant Program and take appropriate actions to en-

1       courage broad participation of institutions of higher  
2       education in the program.

3       “(h) AWARDS FOR INSTITUTIONAL RECOGNITION.—  
4       The Secretary may establish and administer an awards  
5       program to recognize the extent of an institution of higher  
6       education’s participation in the College Patriots Grant  
7       Program.

8       “(i) DEFINITIONS.—In this section:

9               “(1) COST OF ATTENDANCE.—The term ‘cost of  
10       attendance’ has the meaning given the term in sec-  
11       tion 472 of the Higher Education Act of 1965 (20  
12       U.S.C. 1087ll).

13              “(2) COVERED INDIVIDUAL.—The term ‘cov-  
14       ered individual’ means an individual who—

15                      “(A) is enrolled in an institution of higher  
16       education that is participating in the College  
17       Patriots Grant Program;

18                      “(B) has such amount of remaining enti-  
19       tlement to educational assistance under chapter  
20       30 or 32 of this title, or under chapter 1606 or  
21       1607 of title 10, as the Secretary may require  
22       for purposes of this section; and

23                      “(C) after receipt of any of the educational  
24       assistance described in subparagraph (B), has  
25       an unmet financial need to attend the institu-

1           tion of higher education for which a supple-  
2           mental educational grant is sought.

3           “(3) INSTITUTION OF HIGHER EDUCATION.—

4           The term ‘institution of higher education’ has the  
5           meaning given the term in section 102 of the Higher  
6           Education Act of 1965 (20 U.S.C. 1002).

7           “(4) UNMET FINANCIAL NEED.—The term  
8           ‘unmet financial need’ means, with respect to a cov-  
9           ered individual, the cost of attendance for the cov-  
10          ered individual to attend an institution of higher  
11          education participating in the College Patriots Grant  
12          Program, minus the sum of—

13               “(A) grant and work assistance received by  
14               the covered individual under title IV of the  
15               Higher Education Act of 1965 (20 U.S.C. 1070  
16               et seq.); and

17               “(B) any educational assistance payments  
18               received by the covered individual through any  
19               programs administered by the Department of  
20               Veterans Affairs or the Department of De-  
21               fense.”.

22           “(2) CLERICAL AMENDMENT.—The table of sec-  
23           tions at the beginning of chapter 36 of such title is  
24           amended by adding at the end the following new  
25           items:

“SUBCHAPTER IV—COLLEGE PATRIOTS GRANTS

“3699A. College Patriots Grant Program.”.

1       (b) EFFECTIVE DATE.—The amendments made by  
2 this section shall take effect one year after the date of  
3 the enactment of this Act, and shall apply to terms, quar-  
4 ters, or semesters beginning on or after that date.